

104TH CONGRESS
2D SESSION

H. R. 3421

To require the imposition of increased tariffs on certain products of the People's Republic of China until the President certifies that that country is complying with its agreement with the United States regarding protection of intellectual property rights.

IN THE HOUSE OF REPRESENTATIVES

MAY 8, 1996

Ms. PELOSI (for herself, Mr. BONO, Mr. GEPHARDT, Mr. COX of California, Mr. BONIOR, Mr. SOLOMON, Mr. RANGEL, Mr. GILMAN, Mr. HYDE, Mr. SCARBOROUGH, Mr. ROHRABACHER, Mr. ABERCROMBIE, Mr. BARTON of Texas, Mr. BERMAN, Mr. BORSKI, Mr. BROWN of Ohio, Mr. BRYANT of Texas, Mr. CARDIN, Mr. DEFazio, Ms. DELAURO, Mr. DELLUMS, Mr. DORNAN, Mr. DOYLE, Mr. DURBIN, Mr. EHRLICH, Ms. ESHOO, Mr. EVANS, Mr. FARR of California, Mr. FOGLIETTA, Mr. FRANK of Massachusetts, Mr. FROST, Mr. GEJDENSON, Mr. GONZALEZ, Mr. GORDON, Mr. HASTINGS of Florida, Mr. HINCHEY, Mr. HOBSON, Ms. JACKSON-LEE of Texas, Mr. KANJORSKI, Ms. KAPTUR, Mr. KING, Mr. KLINK, Mr. LANTOS, Mr. LEVIN, Mr. LEWIS of Georgia, Mr. MARKEY, Mr. MASCARA, Ms. MCKINNEY, Mrs. MEEK of Florida, Mr. MILLER of California, Mrs. MINK of Hawaii, Mr. MURTHA, Mr. NADLER, Mr. OBEY, Mr. OLVER, Mr. PORTER, Mr. RICHARDSON, Mr. ROSE, Mr. RUSH, Mr. SANDERS, Mr. SCHIFF, Mrs. SCHROEDER, Mr. SENSENBRENNER, Mr. SMITH of New Jersey, Mr. STARK, Mrs. THURMAN, Mr. WAXMAN, Mr. WOLF, and Ms. WOOLSEY) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To require the imposition of increased tariffs on certain products of the People's Republic of China until the President certifies that that country is complying with

its agreement with the United States regarding protection of intellectual property rights.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. FINDINGS.**

4 The Congress makes the following findings:

5 (1) Violations by the People's Republic of China
6 of United States intellectual property rights, includ-
7 ing with respect to music, videos, books, and soft-
8 ware is a serious problem and a threat to the United
9 States economy and United States jobs.

10 (2) Repeated efforts by the United States Gov-
11 ernment, starting in 1991, to encourage the Chinese
12 Government to halt this piracy have not succeeded.
13 Since these efforts started, estimated losses to the
14 United States economy from the piracy increased to
15 \$2,300,000,000 in 1995.

16 (3) On March 11, 1995, the Chinese Govern-
17 ment signed an agreement with the United States
18 pledging to implement an action plan for effective
19 protection and enforcement of intellectual property
20 rights and to remove various import and investment
21 barriers to persons who rely on intellectual property
22 protection. In this agreement, the Chinese Govern-
23 ment agreed to—

1 (A) take immediate steps to stem the pi-
2 racy in the People's Republic of China of intel-
3 lectual property rights;

4 (B) establish mechanisms to ensure long-
5 term enforcement of protecting intellectual
6 property rights; and

7 (C) provide greater market access to
8 United States products protected by intellectual
9 property rights.

10 (4) One year after the agreement was signed,
11 counterfeiting by Chinese enterprises of copyrighted
12 material continues to grow, the Chinese Government
13 has failed to control massive production and export
14 of pirated materials, and there has been no increase
15 in market access for United States products pro-
16 tected by intellectual property rights.

17 **SEC. 2. IMPOSITION OF TARIFFS ON CERTAIN GOODS.**

18 (a) IMPOSITION OF TARIFFS.—

19 (1) ADDITIONAL TARIFFS.—Notwithstanding
20 any other provision of law, effective 15 days after
21 the date of the enactment of this Act, the President
22 shall impose tariffs, in addition to those already in
23 effect as of such date of enactment, on goods that
24 are the growth, product, or manufacture of the Peo-
25 ple's Republic of China, that the President deter-

1 mines would compensate for the losses to the United
2 States economy resulting from the acts, policies, and
3 practices of the Chinese Government described in
4 paragraph (2).

5 (2) ACTS, POLICIES, AND PRACTICES.—The
6 acts, policies, and practices referred to in paragraph
7 (1) are—

8 (A) those acts, policies, and practices of
9 the Chinese Government with respect to the en-
10 forcement of intellectual property rights and the
11 provision market access to persons who rely on
12 intellectual property protection, that are re-
13 ferred to in the determination of the United
14 States Trade Representative of February 7,
15 1995, that was published in the Federal Reg-
16 ister (volume 60, no. 25, pp. 7230–7234); and

17 (B) any other acts, policies, and practices
18 of the Chinese Government with respect to the
19 enforcement of intellectual property rights and
20 the provision market access to persons who rely
21 on intellectual property protection, in violation
22 of the agreement referred to in section 1(3) or
23 any other agreement with the United States.

1 (b) DURATION OF TARIFFS.—The tariffs imposed
2 under subsection (a)(1) shall apply until the conditions set
3 forth in section 3 are met.

4 (c) CRITERIA FOR TARIFFS.—The President shall
5 transmit in writing to the Congress, not later than 15 days
6 after the date of the enactment of this Act, the criteria
7 used to determine the tariffs, and the goods on which the
8 tariffs are imposed, under subsection (a)(1).

9 **SEC. 3. CONDITIONS.**

10 The conditions referred to in section 2(b) are the fol-
11 lowing:

12 (1) The President certifies to the Congress that
13 the Government of the People’s Republic of China is
14 complying with all the terms of the agreement re-
15 ferred to in section 1(3).

16 (2) Thirty days have elapsed since the submis-
17 sion of the certification and a law has not been en-
18 acted stating in substance that the Congress dis-
19 approves the certification.

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